

AMENDED IN ASSEMBLY MARCH 25, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 988

Introduced by Assembly Member Maze
(Coauthors: Assembly Members Cogdill, Haynes, and Nakanishi)

February 20, 2003

An act to add and repeal Sections 17053.19 and 23619 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 988, as amended, Maze. Personal income and corporation taxes: credits: ~~Health Professional Shortage Areas~~ *doctors*.

The Personal Income Tax Law and the Corporation Tax Law authorize various credits against the taxes imposed by those laws.

This bill would authorize a credit against those taxes for each taxable year beginning on or after January 1, 2003, and before January 1, 2008, in an amount equal to ~~15% of unreimbursed fees for medical services administered to a Medi-Cal beneficiary by a qualified medical care professional, as defined, practicing medicine in a Health Professional Shortage Area, as defined~~ *20% of total income of a qualified doctor, as defined, who practices in a qualified county, as defined, derived from treating Medi-Cal beneficiaries*.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 17053.19 is added to the Revenue and Taxation Code, to read:

17053.19. (a) For each taxable year beginning on or after January 1, 2003, and before January 1, 2008, there shall be allowed as a credit against the “net tax,” as defined in Section 17039, an amount equal to ~~15 percent of qualified medical expenses incurred during the taxable year by a qualified medical professional practicing medicine in a qualified Health Professional Shortage Area.~~ 20 percent of total income derived from treating Medi-Cal beneficiaries during the taxable year by a qualified doctor who practices in a qualified county.

(b) For purposes of this section:

(1) ~~“Qualified medical expenses” means that portion of a qualified medical care professional’s fee charged for medical services administered to a Medi-Cal beneficiary in a qualified Health Professional Shortage Area that is not reimbursed by Medi-Cal.~~

(2) ~~“Medi-Cal” means the California Medical Assistance Program created under the Medi-Cal Act set forth in Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code.~~

(3) ~~“Qualified medical care professional” means a physician, surgeon, dentist, or optometrist, who has practiced in a qualified Health Professional Shortage Area for a minimum of six months, and who, every year, carries and treats a patient load that is 30 percent Medi-Cal beneficiaries.~~

(4) ~~“Qualified Health Professional Shortage Area” means an area, located within California, designated by the United States Department of Health and Human Services as a Health Professional Shortage Area pursuant to Section 3505d of the Public Health and Welfare Code (42 U.S.C. Sec. 3505d).~~

(2) *“Qualified county” means a county, within California, in which at least 25 percent of the population are Medi-Cal beneficiaries and unemployment is at least 10 percent.*

(3) *“Qualified doctor” means a physician, surgeon, optometrist, or dentist, who is not salaried and who works on a fee-for-service basis.*

(c) In the case where the credit allowed by this section exceeds the “net tax,” the excess may be carried over to reduce the “net tax” in the following year, and succeeding years if necessary, until the credit is exhausted.

(d) This section shall remain in effect only until January 1, 2008, 2009, and as of that date is repealed.

SEC. 2. Section 23619 is added to the Revenue and Taxation Code, to read:

23619. (a) For each taxable year beginning on or after January 1, 2003, and before January 1, 2008, there shall be allowed as a credit against the “tax,” as defined in Section 23036, an amount equal to ~~15 percent of qualified medical expenses incurred during the taxable year by a qualified medical professional practicing medicine in a qualified Health Professional Shortage Area.~~ *20 percent of total income derived from treating Medi-Cal beneficiaries during the taxable year by a qualified doctor who practices in a qualified county.*

(b) For purposes of this section:

(1) ~~“Qualified medical expenses” means that portion of a qualified medical care professional’s fee charged for medical services administered to a Medi-Cal beneficiary in a qualified Health Professional Shortage Area that is not reimbursed by Medi-Cal.~~

(2) ~~“Medi-Cal” means the California Medical Assistance Program created under the Medi-Cal Act set forth in Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code.~~

(3) ~~“Qualified medical care professional” means a physician, surgeon, dentist, or optometrist, who has practiced in a qualified Health Professional Shortage Area for a minimum of six months, and who, every year, carries and treats a patient load that is 30 percent Medi-Cal beneficiaries.~~

(4) ~~“Qualified Health Professional Shortage Area” means an area, located within California, designated by the United States Department of Health and Human Services as a Health Professional Shortage Area pursuant to Section 3505d of the Public Health and Welfare Code (42 U.S.C. Sec. 3505d).~~

(2) *“Qualified county” means a county, within California, in which at least 25 percent of the population are Medi-Cal beneficiaries and unemployment is at least 10 percent.*

1 (3) “*Qualified doctor*” means a physician, surgeon,
2 optometrist, or dentist, who is not salaried and who works on a
3 fee-for-service basis.

4 (c) In the case where the credit allowed by this section exceeds
5 the “tax,” the excess may be carried over to reduce the “tax” in
6 the following year, and succeeding years if necessary, until the
7 credit is exhausted.

8 (d) This section shall remain in effect only until January 1,
9 2008, 2009, and as of that date is repealed.

10 SEC. 3. This act provides for a tax levy within the meaning of
11 Article IV of the Constitution and shall go into immediate effect.

